



Sierra Nevada Region



Power Revenue Requirement Forecast FY 2013 - FY 2016

	Current FY12 PRR		FY13 PRR		FY14 PRR		FY15 PRR		FY16 PRR	
	Expenses	Revenues	Expenses	Revenues	Expenses	Revenues	Expenses	Revenues	Expenses	Revenues
O&M Expense: /1										
Reclamation	\$40,250,000		\$42,452,334		\$43,758,854		\$45,759,410		\$47,072,482	
Western	\$54,977,856		\$54,648,572		\$56,288,029		\$57,976,670		\$59,715,970	
Total O&M Expense	\$95,227,856		\$97,100,906		\$100,046,883		\$103,736,079		\$106,788,452	
Purchase Power Expense:										
Custom Product & Suppl. Power /2	\$202,809,520	\$202,809,520	\$204,330,591	\$204,330,591	\$205,863,071	\$205,863,071	\$207,407,044	\$207,407,044	\$208,962,597	\$208,962,597
HBA Costs /3	\$2,243,797		\$2,310,408		\$2,379,720		\$2,451,112		\$2,524,645	
Purchases for Project Use /4	\$1,932,741		\$1,025,800		\$0		\$0		\$0	
Washoe Cost for BR	\$471,500		\$471,500		\$471,500		\$471,500		\$199,000	
Total Purchase Power Expense/Revenue	\$207,457,558	\$202,809,520	\$208,138,299	\$204,330,591	\$208,714,291	\$205,863,071	\$210,329,656	\$207,407,044	\$211,686,242	\$208,962,597
Interest Expense: /5										
Total Interest Expense	\$7,950,287		\$9,507,495		\$9,610,774		\$10,153,421		\$10,837,285	
Other Expenses: /6										
Total Other Expenses	\$4,451,496		\$3,456,977		\$3,560,686		\$3,667,507		\$3,777,532	
Project Repayment (Expense): /7										
Total Project Repayment	\$12,500,000		\$12,000,000		\$12,000,000		\$12,000,000		\$12,000,000	
Other Pass-through Expenses & Revenues:										
CAISO Market & GMC Charges for 2207A (WSLW)	\$327,052	\$0	\$330,000	\$0	\$330,000	\$0	\$330,000	\$0	\$330,000	\$0
CAISO Expenses & Revenues /8	\$19,004,732	\$17,620,251	\$20,810,700	\$19,795,236	\$20,810,700	\$19,795,236	\$20,810,700	\$19,795,236	\$20,810,700	\$19,795,236
PG&E costs incurred for Wheeling	\$5,989,889	\$5,117,217	\$5,961,582	\$5,436,017	\$5,961,582	\$5,436,017	\$5,961,582	\$5,436,017	\$5,961,582	\$5,436,017
PATH 15 revenues and expenses	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000
Purchases and Sales for SBA /9	\$10,270,905	\$10,270,905	\$8,193,073	\$8,993,073	\$8,397,899	\$9,217,899	\$8,607,847	\$9,448,347	\$8,823,043	\$9,684,555
Resource Adequacy /10	\$1,635,250	\$1,275,312	\$1,684,308	\$1,313,572	\$1,734,837	\$1,352,979	\$1,786,882	\$1,393,568	\$1,840,488	\$1,435,375
Total Other Pass-through Expense/Revenue	\$37,239,829	\$34,295,685	\$36,991,663	\$35,549,897	\$37,247,019	\$35,814,131	\$37,509,012	\$36,085,168	\$37,777,814	\$36,363,184
Other Revenues:										
Non-firm energy sales		\$0		\$0		\$0		\$0		\$0
Miscellaneous Revenues /11		\$27,703,948		\$27,659,022		\$28,956,413		\$29,996,868		\$31,736,562
SC, PM, and VRC Admin Fees		\$2,376,613		\$2,354,775		\$2,425,418		\$2,498,180		\$2,573,126
Revenue from Ancillary Service										
Sales to IOA SBA Members		\$1,796,859		\$2,034,644		\$2,034,644		\$2,034,644		\$2,034,644
Total Other Revenues		\$31,877,420		\$32,048,440		\$33,416,475		\$34,529,692		\$36,344,332
Project Use Revenues: /12										
Total Project Use Revenues		\$22,500,000		\$22,125,000		\$22,788,750		\$23,472,413		\$24,176,585
Transmission Revenues: /13										
Total Transmission Revenues		\$0		\$0		\$0		\$0		\$0
Total Expenses & Revenues	\$364,827,026	\$291,482,626	\$367,195,340	\$294,053,928	\$371,179,653	\$297,882,426	\$377,395,674	\$301,494,316	\$382,867,325	\$305,846,697
Forecasted Power Revenue Requirement Summary:	Current FY12 PRR		FY13 PRR		FY14 PRR		FY15 PRR		FY16 PRR	
Total Expenses	\$352,327,026		\$355,195,340		\$359,179,653		\$365,395,674		\$370,867,325	
add: Project Repayment	\$12,500,000		\$12,000,000		\$12,000,000		\$12,000,000		\$12,000,000	
	\$364,827,026		\$367,195,340		\$371,179,653		\$377,395,674		\$382,867,325	
less: Total Revenues	(\$291,482,626)		(\$294,053,928)		(\$297,882,426)		(\$301,494,316)		(\$305,846,697)	
Estimated Power Revenue Requirement	\$73,344,401		\$73,141,411		\$73,297,226		\$75,901,358		\$77,020,628	
April 2011 Forecast	\$73,468,299		\$73,792,395		\$74,345,046		\$75,847,788			
Change from Previous Forecast	-\$123,898		-\$650,984		-\$1,047,820		\$53,570			

Rate methodology is based on Rate Order WAPA 156 effective October 1, 2011

NOTES:

- /1 Western's O&M assumes a 3% inflationary factor for FY 13 forward. Reclamation's O&M is based on forecasted budget data. Both agencies' budgets are adjusted for unfunded CSRS.
- /2 Estimates for Custom Product and Supplemental purchase power costs (pass-through costs) are based on FY12 budget data and inflated at .75%.
- /3 Forecasted Host Balancing Authority (HBA) costs are estimated to increase by 3% each year.
- /4 FY12 & FY13 purchase power costs to meet Project Use and First Preference loads are based on forward purchase agreements. Beyond FY 13 there are no forward purchases forecasted.
- /5 Interest Expense is forecasted to increase due to the planned out year investments.
- /6 FY 12 to FY 13 decrease is primarily attributable to the potential resolution of the DWR settlement. Costs thereafter are forecasted to increase at 3% per year.
- /7 Capital repayment projections includes Western's and BOR's planned investment.
- /8 FY 13 projections are based on the most current 12-month data and held constant thereafter.
- /9 The FY 13 projections for SBA power purchases and sales are based on the most current 12-month data and are forecasted to increase by approximately 2 to 3% thereafter.
- /10 Resource Adequacy (RA) costs are forecasted to increase 3% annually.
- /11 Miscellaneous Revenues includes transmission revenues based on the May 2012 transmission forecast.
- /12 FY 13 forward assumes a 3% inflationary increase.
- /13 Transmission Revenues are included in the Miscellaneous Revenues category.